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Working arrangements

Working arrangements and forms of employment, such as casual work, fixed-term, independent contractors, shift work, job flexibility and job security

Reference period August 2023

Released 13/12/2023

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Key statistics

- 2.7 million casual employees (22% of employees, 19% of all employed).
- 1.0 million independent contractors (7.5% of employed).
- 2.9% of employees were employed on a fixed-term contract.
- 37% of employed people regularly worked from home, down from 40% in Aug 2021.
- 44% of employees were entitled to paid parental leave.

Some of the information on working arrangements is collected in alternating years of the Characteristics of Employment Survey. As a result, this topic page contains data from both August 2022 and August 2023. The page also includes data from Labour Force, Australia, Detailed (/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release#status-in-employment) and the Multi-Purpose Household Survey (/statistics/detailed-methodology-information/concepts-sources-methods/labour-statistics-concepts-sources-and-methods/2023/methods-four-pillars-labour-statistics/household-surveys/labour-multipurpose-household-survey-topics).

Casual employment

The main indicator ABS uses for casual employment is whether an employee is entitled to paid leave, which includes paid sick leave or paid holiday (annual) leave. These entitlements are usually reserved for non-casual or permanent employment.

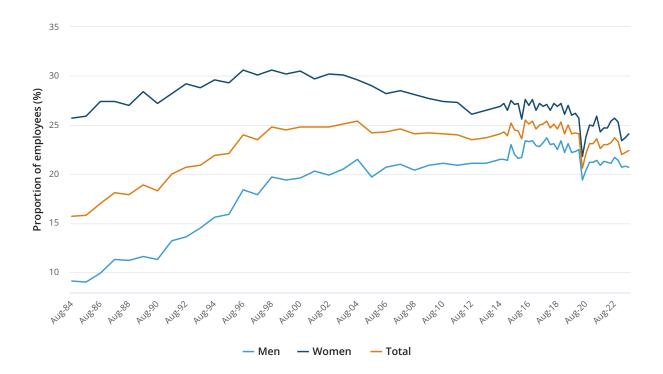
In August 2023, there were 2.7 million employees who were not entitled to paid leave. This is equivalent to 22% of all employees, or 19% of all employed people.

For employees who work part-time in their main job, 51% were not entitled to paid leave (1.9 million).

Quarterly measures of paid leave entitlements have been collected in the Labour Force Survey since August 2014, and are available in Table 13 of <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u> (/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release#status-in-employment).

The proportion of employees in casual employment was 22.4% in August 2023. In May 2020, the proportion of employees in casual employment fell to 20.6%, which is the lowest rate since August 1991.

Share of casual employment



 Quarterly estimates from August 2014 onwards are sourced from <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u> (/ <u>statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release#status-in-employment</u>).

What is casual employment?

There is no single definitive measure to determine the number of people in casual employment at any one time; however, the ABS most regularly uses information on paid leave entitlements as a proxy for measuring casual employment in the Australian labour force. The ABS has three data items related to casual employment:

- employees without paid leave entitlements.
- employees who receive a casual loading (last collected in August 2013).
- employees who consider their job to be casual (self-perception).

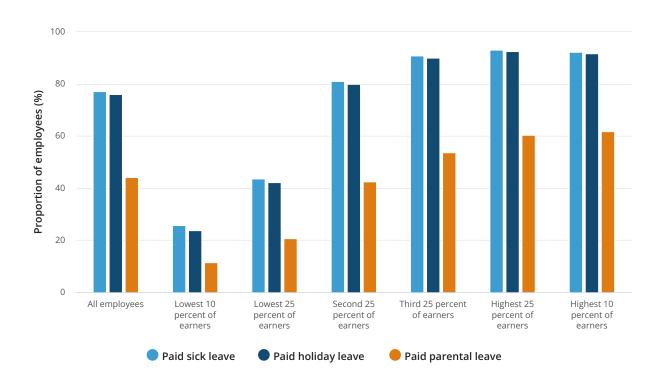
For more information, refer to <u>Labour Statistics</u>: <u>Concepts, Sources and Methods (/ statistics/detailed-methodology-information/concepts-sources-methods/labour-</u>

statistics-concepts-sources-and-methods/2021/concepts-and-sources/employment-arrangements).

Access to leave entitlements is more common among higher paid workers. In August 2023, 92 per cent of employees who earned the median wage of \$1,300 per week or more were entitled to paid sick leave or paid holiday leave. Over 50 per cent had access to paid parental leave.

For workers in the lowest 25 per cent of earners (less than \$820 per week), 44 per cent had access to paid sick leave or paid holiday leave and 21 per cent were entitled to paid parental leave.

Paid leave entitlements by lower and higher paid workers



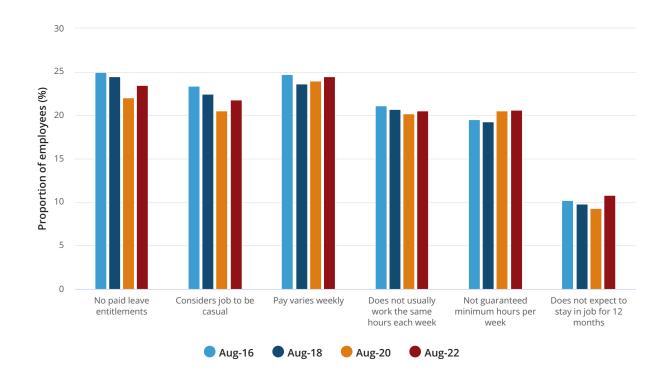
Some of the information on working arrangements is collected in alternating years of the Characteristics of Employment Survey. As a result, this section on broader indicators of casual employment contains data that was last collected in August 2022.

There are several other broader indicators of casual employment that can be used, for example a variable number of hours worked or earnings each week.

For employees in August 2022:

- 21.8% consider their job to be casual (self-perception) (2.5 million).
- 24.5% have earnings that vary from one period to the next (excluding overtime payments) (2.8 million).
- 20.5% do not usually work the same number of hours each week (2.4 million).
- 20.6% do not have a guaranteed minimum number of hours each week (2.4 million).
- 10.8% do not expect to be working for current employer in 12 months (1.2 million).

Indicators of casual employment



Casuals converting to non-casual employment

Given the longstanding interest in casual employment, it is useful to understand the extent to which people change between casual and non-casual working arrangements. To better understand this, the ABS developed an initial experimental survey module, with data collected during the 2022-23 financial year from the outgoing Labour Force Survey rotation group (through the Multi-Purpose Household Survey (/statistics/detailed-methodology-information/concepts-sources-methods/labour-statistics-concepts-sources-and-methods/2023/methods-four-pillars-labour-statistics/household-surveys/labour-multipurpose-household-survey-topics), which is designed to collect statistics for a number of small, self-contained topics).

It is important to note that there are provisions within the Fair Work Act that may influence decisions that employees and employers make around changing between casual and non-casual employment. As a result, there is particular interest in Australia around people working as a casual employee in a role for an extended period of time.

During 2022-23, the ABS collected additional information from casual employees who had been with their employer for 12 months or more and who also identified as being in a casual job. They were asked about their desire to change from a casual to non-casual employment arrangement within the next 12 months.

Of these people:

- 58% wanted to continue in a casual arrangement (56% of males and 61% of females).
- 29% wanted to change to a non-casual arrangement (30% of males and 27% of females).
- 13% were unsure.

The most common reasons reported by longer-term casual employees for wanting to remain casual were:

- Flexibility (39%).
- Higher hourly pay rate (20%).

The most common reasons reported by longer-term casual employees for wanting to change to a non-casual arrangement were:

- Job security (62%).
- To have paid leave entitlements (22%).

Most (75%) longer-term casual employees had not had a discussion with their employer about changing their employment from a casual to non-casual arrangement. Of these people, 26% indicated wanting to convert to non-casual employment.

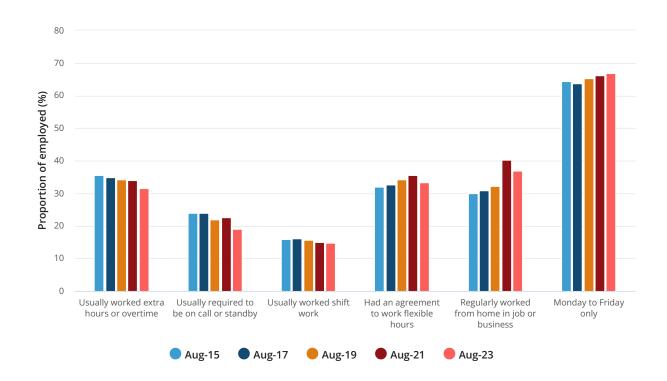
Of the 25% of longer-term casual employees who had discussed conversion with their employer, only around a third of them (34%) wanted to convert to non-casual employment.

Working time arrangements

For employed people in August 2023:

- 33% had an agreement to work flexible hours, down from 36% in 2021.
- 37% regularly worked from home, down from 40% in 2021.
- 31% usually worked extra hours or overtime, down from 34% in 2021.
- 19% were usually required to be on call or standby, down from 23% in 2021.

Working arrangements



Working from home

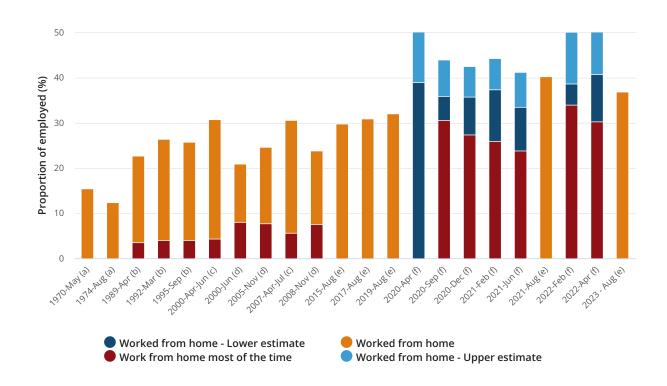
The ABS has measured the number of people working from home since 1970. The rates seen during the pandemic in 2020 and 2021 were the highest ever recorded.

In August 2023, 37% of employed people regularly worked from home.

Between 1989 and 2008, around 20-30% of people worked from home, with around 4-8% working most of their hours from home. In August 2021, working from home increased to 40%.

The ABS measured people working from home during the pandemic in the <u>Household Impacts of COVID-19 Survey (/statistics/people/people-and-communities/household-impacts-covid-19-survey/jun-2021)</u>. While it is not directly comparable with estimates from the Characteristics of Employment Survey, it showed that between September 2020 and June 2021, about 40% of employed people were working from home, with 20-30% working most of their hours from home.

Working from home



australian-statistics?and%5B%5D=subject%3A%22Journey+to+Work%22&sort=-date), 1970-1974,

(b) Persons Employed at Home (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view? ReadForm&prodno=6275.0&viewtitle=Persons%20Employed%20at%20Home,

%20Australia~September%201995~Previous~08/05/1996&tabname=Past%20Future%20Issues&prodno=62 75.0&issue=September%201995&num=&view=&)_, 1989-1995, (d) Locations of Work (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?

ReadForm&prodno=6275.0&viewtitle=Locations%20of%20Work~Nov%202008~Latest~08/05/2009&&tabna me=Past%20Future%20Issues&prodno=6275.0&issue=Nov%202008&num=&view=&)_, 2000-2008; - Usually works from home: (c) Employment Arrangements, Retirement and Superannuation (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?

ReadForm&prodno=6361.0&viewtitle=Employment%20Arrangements,

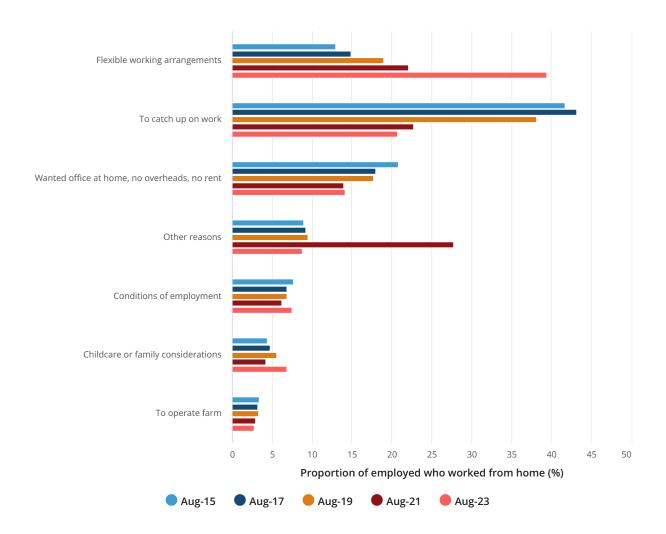
%20Retirement%20and%20Superannuation,%20Australia~Apr%20to%20Jul%202007%20(Re-

issue)~Latest~02/06/2009&&tabname=Past%20Future%20Issues&prodno=6361.0&issue=Apr%20to%20Jul% 202007%20(Re-issue)&num=&view=&)., 2000-2007, (e) Characteristics of Employment (/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia)., 2015-2023; - Worked from home in last four weeks: (f) Household Impacts of COVID-19 Survey (/statistics/people/people-and-communities/household-impacts-covid-19-survey/latest-release)., 2020-2022

In 2023, the main reason people worked from home was due to flexible working arrangements. The proportion of people who worked from home due to flexible working arrangements increased from 13% in 2015 to 39% in 2023.

Between 2015 and 2019, the main reason people worked from home was to catch up on work. In 2021, people reported 'other reasons' as the main reason why they worked from home. The increase in respondents reporting 'other reasons' during the pandemic is consistent with responses provided to other questions in established labour household surveys during this time, such as the reasons why people worked fewer hours than usual in Labour Force statistics.

Main reason worked from home



In August 2023, 60 per cent of managers and professionals usually worked from home, compared to 22 per cent for all other occupations.

People who worked from home were more likely to:

- work paid or unpaid overtime (45% of people who worked from home worked overtime, compared to 24% of workers who did not work from home).
- prefer to work fewer hours (23%, compared to 12%).

- have an agreement (written or unwritten) to work flexible hours (48%, compared to 25%).
- work on weekdays only (76%, compared to 61%).

Independent contractors

Additional questions in the Characteristics of Employment survey allow employment relationships to be reclassified using the Forms of employment framework. This enables people's employment relationships to be classified as either:

- employees.
- independent contractors.
- other business operators.

Forms of employment framework

The following provides an outline of how people are classified in the Forms of employment framework.

In the monthly Labour Force survey (LFS), people are classified as employees, owner managers of incorporated enterprises (OMIEs) and owner managers of unincorporated enterprises (OMUEs) based on their responses to questions.

These people are then asked questions to identify key characteristics of employees, independent contractors and other business operators. The responses to these questions are then used to determine how people are classified as employees, independent contractors and other business operators in the Forms of employment framework.

These questions are:

- Do you work as an independent contractor in your job?
- Do you receive a pay slip/advice?
- Do you/Does your business invoice or bill clients/employers?
- Excluding wages and salary, are you able to make drawings from your employer/ business?

The following decision table, shows how people are classified in the Forms of employment framework.

Form of employment (CoE)	Whether able to make drawings from employer/ business	Whether invoices or bills clients/ employers	Whether received pay slip/ advice	Whether considered to be an independent contractor	Status in employment (LFS)
Independent Contractor	-	Yes	Yes	Yes	Employees
Independent Contractor	Yes	No	Yes	Yes	Employees
Employee	No	No	Yes	Yes	Employees
Independent Contractor	-	Yes	No	Yes	Employees
Independent Contractor	-	No	No	Yes	Employees
Employee	-	-	Yes	No	Employees
Independent Contractor	-	Yes	No	No	Employees
Employee	-	No	No	No	Employees
Independent Contractor	-	Yes	Yes	Yes	Owner managers
Independent Contractor	Yes	No	Yes	Yes	Owner managers
Employee	No	No	Yes	Yes	Owner managers
Independent Contractor	-	Yes	No	Yes	Owner managers
Independent Contractor	-	No	No	Yes	Owner managers
Other Business Operator	-	Yes	Yes	No	Owner managers
Other Business Operator	Yes	No	Yes	No	Owner managers
Employee	No	No	Yes	No	Owner managers
Other Business Operator	-	Yes	No	No	Owner managers
Other Business Operator	-	No	No	No	Owner managers

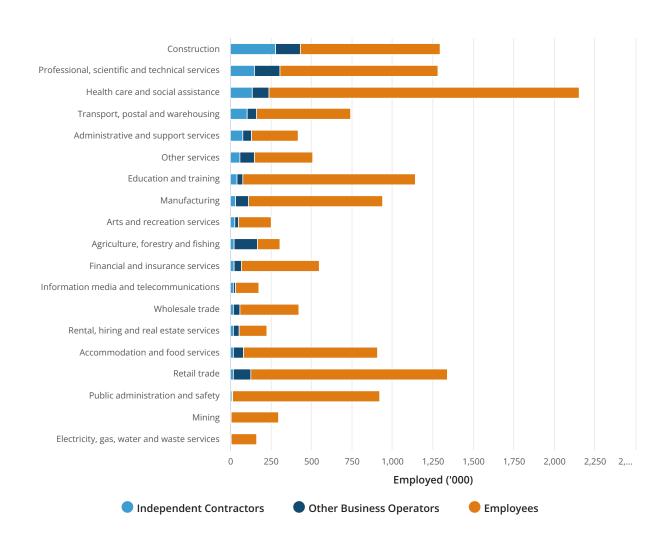
In August 2023, the industries which had the highest percentage of independent contractors were Construction (21%), Administrative and support services (19%) and Transport, postal and warehousing (14%).

The industries with the largest proportional increases for independent contractors from August 2018 to 2023 were Transport, postal and warehousing (11% to 14%) and Information media and telecommunications (10% to 11%). The largest proportional decrease was seen in Construction (26% to 21%).

The industries with the highest proportion of other business operators were Agriculture, forestry and fishing (47%) and Other services (18%).

The industries with the highest proportion of non-employees (both independent contractors and other business operators) were Agriculture, forestry and fishing (54%) and Construction (33%).

Forms of employment, by industry

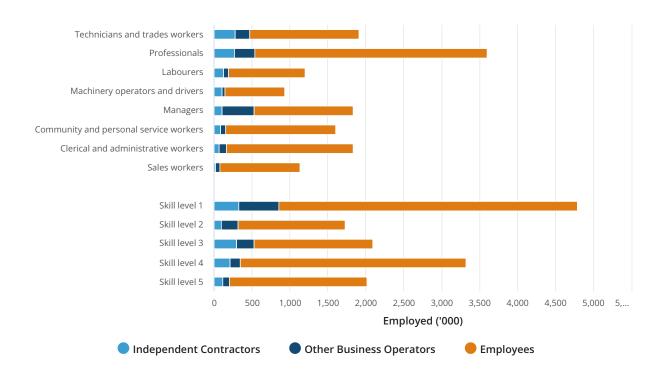


1. For more information on Industries, refer to <u>Australian and New Zealand Standard Industrial Classification</u> (<u>ANZSIC</u>) (<u>https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0</u>)

The occupations with the highest proportions of Independent Contractors were:

- Technicians and trade workers (15%).
- Machinery operators and drivers (11%).
- Labourers (10%).

Forms of employment, by occupation



1. Data is coded to ANZSCO ver 1.2. For more information on Occupations and Skill level, refer to ANZSCO - Australian and New Zealand Standard Classification of Occupations (https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/4AF138F6DB4FFD4BCA2571E200096BAD?opendocument)

Labour hire

For information on people who find work though a labour hire firm or employment agency, refer to <u>Labour hire workers</u> (/statistics/labour/earnings-and-working-conditions/labour-hire-workers/latest-release).

Fixed-term contracts

In August 2023, 3% of employees were employed on a fixed-term contract (345,000

employees). Of these:

- 73% were working on a contract with a total term length of 1 year or less.
- 60% were working with less than 9 months remaining on their contract.

79% of employees on a fixed-term contract expected to remain working in their current job in 12 months' time. In comparison, 90% of employees not on a fixed-term contract expect to remain in their current job (ie employed on an ongoing basis).

The median weekly earnings for employees on a fixed-term contract were \$1,522, compared with \$1,300 for employees who were not on a fixed-term contract.

The industries with the highest proportion of employees on a fixed-term contract were:

- Education and training (8%).
- Public administration and safety (8%).
- Information media and telecommunications (6%).

Digital platform workers

The Australian Bureau of Statistics (ABS), like most national statistical organisations, is working to expand its statistics on relatively new and emerging forms of employment, including digital platform workers.

While digital platform workers and their work have always been included within existing labour statistics on employment and hours, they are a relatively small group of workers who have not been separately identifiable.

The majority of digital platform workers appear within existing data as independent contractors, using a registered Australian Business Number, but are difficult to distinguish from other self-employed people without employees.

The ABS developed an initial framework to measure digital platform work and workers, which was included in public consultation materials and also included in the Labour Statistics: Concepts, Sources and Methods (/statistics/detailed-methodology-information/concepts-sources-methods/labour-statistics-concepts-sources-and-methods/2021/concepts-and-sources/employment-arrangements#digital-platform-workers). The framework shows how the ABS has defined and scoped digital platform work and the classification of tasks undertaken by people who are paid-per-task.

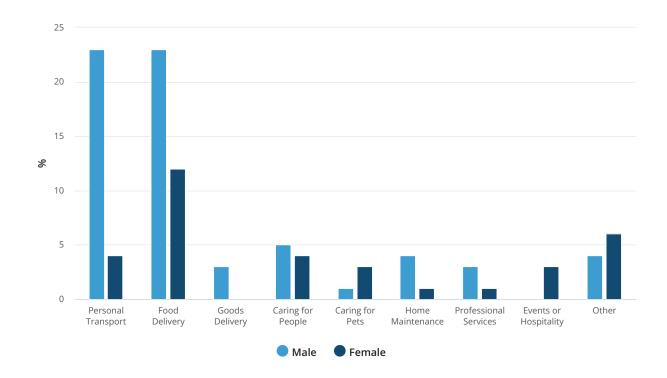
The framework acknowledges that the 'gig economy' is a broad term that is generally used to describe a wide range of activities, from buying and selling goods to providing short term labour services, such as providing care. However, most of the recent and current interest, from a labour statistics perspective, has been on the supply of labour services through digital platforms.

Further information on the measurement approach and estimates of digital platform workers can be found in <u>Digital platform workers in Australia (/articles/digital-platform-workers-australia)</u>.

In 2022-23, just under 1% (0.96%) of the employed population were digital platform workers. Of these:

- 66% were male, representing a higher proportion of males than in the total employed population (52%).
- 53% did not consider digital platform work to be their main job.
- over 50% had been undertaking this form of employment for less than one year.
- the most common digital platform work tasks were Food Delivery and Transport.

Digital platform workers by task type



Other topics

Statistics from the <u>Characteristics of Employment (/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia/latest-release)</u> survey are also published in three other topic-based releases.

- Employee earnings (/statistics/labour/earnings-and-work-hours/employee-earnings/latest-release).
- <u>Trade union membership (/statistics/labour/earnings-and-work-hours/trade-union-membership/latest-release)</u>.
- <u>Labour hire workers (/statistics/labour/earnings-and-working-conditions/labour-hire-workers/latest-release)</u>.

Data downloads

Working arrangements

业 Download all (30.21 MB)

Table 1a - Working arrangements and Job flexibility

<u> → Download XLSX</u>

[4.1 MB]

Table 1b - Casual work and Job security

<u> ▶ Download XLSX</u>

[1.8 MB]

Table 2 - Median earnings for employees and OMIEs by demographic characteristics

▶ Download XLSX

[9.87 MB]

Table 3 - Form of employment by demographic characteristics

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[3.52 MB]

Table 4 - Form of employment by industry, occupation and educational qualification

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[4.19 MB]

Table 5 - Independent contractors by whether had authority over own work

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[1.35 MB]

Table 6 - Employees on a fixed-term contract

<u> → Download XLSX</u>

[7.36 MB]

Table 7 - Casuals converting to non-casual employment

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[69.47 KB]

Employee earnings

Table 1 - Employee earnings, 1975-2023

Contains employees with and without paid leave entitlements, 1984-2023

More information on the weekly earnings of employees available in Employee earnings (/statistics/labour/earnings-and-working-conditions/employee-earnings/latest-release)

Microdata and TableBuilder

Characteristics of Employment survey microdata for 2014 to 2023 is now available in ABS <u>DataLab</u> (/statistics/microdata-tablebuilder/datalab) as a supplementary file for the <u>Longitudinal Labour Force</u> (/statistics/microdata-tablebuilder/available-microdata-tablebuilder/longitudinal-labour-force-australia) (LLFS) microdata. For more information, refer to <u>Microdata and TableBuilder</u>: Characteristics of Employment (/statistics/microdata-tablebuilder/available-microdata-tablebuilder/characteristics-employment-australia).

The release of the August 2023 Characteristics of Employment microdata into <u>Tablebuilder (/statistics/microdata-tablebuilder/tablebuilder)</u> has been delayed until next year due to continuing upgrades to the TableBuilder system infrastructure.

The previously released and unrevised issue of Characteristics of Employment microdata in Tablebuilder for the periods August 2014 to August 2022 will remain available during this time.

Previous catalogue number

This release uses ABS catalogue number 6336.0*.

Prior to 2020, statistics were published in:

- <u>Characteristics of Employment (/statistics/labour/earnings-and-working-conditions/characteristics-employment-australia)</u> (6333.0**), 2014-2019.
- Employee Earnings, Benefits and Trade Union Membership (https://www.abs.gov.au/ AUSSTATS/abs@.nsf/second+level+view?
 ReadForm&prodno=6310.0&viewtitle=Employee%20Earnings,
 %20Benefits%20and%20Trade%20Union%20Membership,
 %20Australia~August%202013~Latest~04/06/2014&&tabname=Past%20Future%20Issues&prodno=6310.0&issue=August%202013&num=&view=&) (6310.0), 1999-2013.
- Weekly Earnings of Employees (Distribution) (https://www.abs.gov.au/AUSSTATS/ abs@.nsf/second+level+view?
 ReadForm&prodno=6310.0&viewtitle=Employee%20Earnings,
 %20Benefits%20and%20Trade%20Union%20Membership,
 %20Australia~August%202013~Latest~04/06/2014&&tabname=Past%20Future%20Issue

- s&prodno=6310.0&issue=August%202013&num=&view=&) (6310.0), 1975-1998.
- Forms of Employment (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view? ReadForm&prodno=6359.0&viewtitle=Forms%20of%20Employment,
 %20Australia~November%202013~Latest~07/05/2014&&tabname=Past%20Future%20Issues&prodno=6359.0&issue=November%202013&num=&view=&) (6359.0), 1998-2013.
- Working Time Arrangements (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?
 ReadForm&prodno=6342.0&viewtitle=Working%20Time%20Arrangements,
 %20Australia~November%202012~Latest~03/05/2013&&tabname=Past%20Future%20Issues&prodno=6342.0&issue=November%202012&num=&view=&) (6342.0), 1993-2012.
- Alternative Working Arrangements (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?
 ReadForm&prodno=6341.0&viewtitle=Alternative%20Working%20Arrangements, %20Australia~Sep-Nov%201986~Latest~25/07/1988&&tabname=Past%20Future%20Issues&prodno=6341.0&issue=Sep-Nov%201986&num=&view=&).(6341.0), 1982-1986.
- Working Hours Arrangements (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6338.0)
 (6338.0), 1981.
- Work Patterns of Employees (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6328.0) (6328.0), 1976.
- Evening and Nightwork (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6329.0) (6329.0), 1976.
- Locations of Work (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?
 ReadForm&prodno=6275.0&viewtitle=Locations%20of%20Work~Nov%202008~Latest~08
 /05/2009&&tabname=Past%20Future%20Issues&prodno=6275.0&issue=Nov%202008&n
 um=&view=&) (6275.0), 1989-2008.
- Employment Benefits (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view? ReadForm&prodno=6334.0&viewtitle=Employment%20Benefits,
 %20Australia~Aug%201992~Latest~15/02/1993&&tabname=Past%20Future%20Issues&prodno=6334.0&issue=Aug%201992&num=&view=&) (6334.0), 1979-1994.
- Working Conditions (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6335.0) (6335.0), 1979.
- Annual and Long Service Leave Taken (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?ReadForm&prodno=6317.0&viewtitle=Annual%20and%20Long-Service%20Leave%20Taken,
 %20Australia~May%201988%20to%20Apr%201989~Latest~16/04/1990&&tabname=Past%20Future%20Issues&prodno=6317.0&issue=May%201988%20to%20Apr%201989&num=&view=&) (6317.0), 1974-1989.

*Note: Catalogue number 6336.0 was previously used for <u>Information Paper: Average</u>

Weekly Earnings: New Series to Replace Former Payroll Tax Based Series (https://archive.org/details/63360-1982), 1982.

**Note: Catalogue number 6333.0 was previously used for <u>Working Conditions</u>, <u>Australia</u> (<u>Preliminary</u>) (<u>https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6335.0Feb-May%201979?OpenDocument</u>), Feb to May 1979.

Post release changes

12/01/2024 - A paragraph under casual employment was updated to further clarify which population of people were asked additional questions in 2022-23.

Methodology

<u>Characteristics of Employment, Australia methodology, August 2023</u>